

Foreign Policy - 2

More Funds for Nicaragua Rebels:

White House Gets Better Half Of a Covert Aid Compromise

As described by Rep. C. W. Bill Young, R-Fla., it was a "true compromise" between Congress and the Reagan administration that resolved temporarily the issue of U.S. aid to anti-government rebels in Nicaragua.

Cleared by Congress on Nov. 18 after months of debate, the Nicaragua compromise gave neither side all it wanted. President Reagan got \$24 million to continue aiding some 10,000 rebels seeking to overthrow the leftist government of Nicaragua; congressional opponents got assurances that they would get a better chance to block the program in mid-1984.

But if the true nature of a compromise can be measured by the disappointment it produces, the more equal half of the Nicaragua compromise went to Reagan.

Young and other supporters of the president praised the compromise for continuing the formerly "covert" aid to the Nicaraguan rebels for another nine months. Democrats, who led the House in voting twice this year to stop the aid, said they were disappointed for the same reason.

As with many compromises, the Nicaragua agreement postponed a final decision on the issue.

The fiscal 1984 defense appropriations bill (HR 4185) and intelligence agencies authorization bill (HR 2968) both set a \$24 million limit on the formerly covert aid to the Nicaraguan rebels. Both bills were cleared for the president Nov. 18. (*Background, Weekly Report pp. 2411, 2163*)

Reagan apparently had planned to spend \$35 million-\$50 million to aid the rebels. Congressional leaders said the \$24 million should enable the CIA to continue providing arms and other aid to the Nicaraguan rebels through next June — if the current rate of spending is kept up. Once the money runs out, Reagan will have to seek more from Congress.

House Intelligence Committee Chairman Edward P. Boland, D-Mass., who led opposition to the covert aid, appeared defensive on Nov. 18 as he explained to the House that

the compromise was the best deal he could negotiate with the Senate. The only alternative, he said, was to rely on stopgap funding measures that "would mean no limitation on this program," he said.

Boland and his colleagues in the House stood almost alone in opposition to the program.

The Republican leadership in both chambers was solidly behind Reagan's Nicaragua policies. And Senate Democrats, many of them skeptical of the covert aid, chose not to challenge it head-on. In contrast to the House, where the covert action was a major topic of debate for months, only a handful of senators took to the floor to discuss the issue.

Instead, senators of both parties demanded that Reagan narrow the scope of the aid. Twice, on May 6 and Sept. 21, the Senate Intelligence Committee voted 13-2 to allow the aid to continue, with changes. The dissenters were Joseph R. Biden Jr., D-Del., and Patrick J. Leahy, D-Vt.

Committee Vice Chairman Daniel Patrick Moynihan, D-N.Y., on Nov. 18 credited his panel with forcing the administration to "more clearly articulate its goals in Nicaragua."

The Compromise

As cleared in the 1984 defense and intelligence bills, the Nicaragua

compromise stated:

"During fiscal year 1984, not more than \$24,000,000 of the funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement or individual."

House and Senate negotiators reached that agreement after starting from directly opposite positions:

- The House would have ended the covert aid early in 1984 and substituted for it \$50 million in "overt" aid to help friendly countries in the region combat cross-border arms shipments.

Boland has said the House bills included \$19 million to continue the covert aid only until April 1, 1984.

Reagan had requested \$19 million for fiscal 1984, but said he also would fund the program by using the CIA contingency account and \$10 million unspent in fiscal 1983. Congressional sources said the CIA has been running the covert program at a rate of about \$35 million a year and reportedly could have spent up to \$50 million.

Going into conference, Boland insisted that at a minimum the House be given a chance at some point in fiscal 1984 to veto further funding.

This was accomplished in conference by setting what Boland called "an absolute cap" on the aid that the CIA could provide in fiscal 1984. The administration "can get no more money anywhere else," he told the



Rep. Edward P. Boland



Rep. C. W. Bill Young

—By John Felton

House, unless it seeks a supplemental appropriation that would have to be approved by both houses. Boland called that requirement "a giant step in the right direction."

At the current spending rate, the \$24 million will run out about next June, he said.

● The Senate had approved \$29 million for the covert aid in fiscal 1984. That included \$19 million specifically authorized for fiscal 1984 and \$10 million to be carried over from unspent funds from fiscal 1983. Once the \$29 million ran out, the Senate bill would have allowed the CIA director to dip into his contingency fund to continue the aid unless both Intelligence committees objected.

The Senate, and through it the administration, flatly opposed the House demand for a legal date for terminating the covert action. The compromise included no such date.

The compromise also gave Reagan three options for the covert aid, rather than the single cutoff option the House had voted.

He could continue the aid at the current rate and allow it to expire when the funds run out; he could continue the program at the current rate and return to Congress for more money in mid-1984; or he could reduce the size of the program to make the \$24 million last throughout fiscal 1984, which ends on Sept. 30, 1984.

Boland Amendment

The compromise brushed aside the first congressional statute on the Nicaragua issue: the so-called "Boland amendment" of 1982. It prohibited the United States from providing aid to any groups in Nicaragua "for the purpose of" overthrowing the Nicaraguan government.

The Boland amendment was attached secretly to the fiscal 1983 intelligence authorization bill (PL 97-269) and then publicly to the defense portion of the fiscal 1983 continuing resolution (PL 97-377). Both measures expired Sept. 30, the end of fiscal 1983.

Boland did not seek to have his amendment renewed, an aide said, because the Senate would not have accepted it. A Senate Intelligence Committee aide said the amendment was made unnecessary by the wording of Reagan's current "finding" that governs the covert aid. The finding is classified, however.

Conferees on the intelligence bill deleted the "Zablocki" part of the so-called "Boland-Zablocki" bill (HR

2760) passed by the House on July 28. Named after House Foreign Affairs Committee Chairman Clement J. Zablocki, D-Wis., the provision would have authorized \$50 million in fiscal 1983 to help friendly governments in Central America combat cross-border arms shipments to guerrillas supported by Cuba and the Soviet Union. (*Weekly Report* p. 1535)

Defense Secretary Caspar W. Weinberger had said such a program would cost at least \$300 million in the first year and \$100 million each year thereafter. The proposal also would require "extensive deployment of U.S. personnel to the area," he said.

Wright Amendment

The 1984 intelligence bill included a House-passed amendment directing the president to seek intervention by the Organization of American States (OAS) to resolve conflicts in Central America. That amendment had been drafted on July 28 by House Majority Leader Jim Wright, D-Texas, in an apparently successful effort to win votes for HR 2760.

The major provisions of the Wright amendment:

● Stated that Nicaragua had failed to keep the promises it made to the Organization of American States in July 1979. Among the promises were respect for human and political rights and the holding of early elections.

● Stated that Nicaragua, by aiding guerrillas in El Salvador and elsewhere in Central America, had violated the OAS charter, which said that no nation had the right to intervene in the affairs of another nation.

● Asked the president to seek an OAS meeting to evaluate Nicaragua's compliance with its promises and with the OAS charter. The president also should seek "a full range of effective measures" by the OAS to ensure Nicaragua's compliance.

● Asked the president to use "all diplomatic means at his disposal" to get the OAS to settle regional conflicts. It also said the United States should support actions by the OAS and the so-called "Contadora group" to end terrorism, subversion and other activities aimed at the violent overthrow of governments in the region. The Contadora group includes Panama, Colombia, Venezuela and Mexico; it takes its name from the Panamanian island where representatives of those countries met early in 1983.

● Directed the president to report to Congress by March 15, 1984, on the

results of his efforts to achieve peace in Central America, along with his recommendations for further action.

Other Provisions

As in previous years, most funding items in the intelligence bill were kept secret. The bill authorized funds for the CIA, the National Security Agency, the Defense Intelligence Agency and other services. Senate Intelligence had reported its bill (S 1230 — S Rept 98-77) on May 6; the House committee issued its report (H Rept 98-189, Pt. 1) on May 16. (*Weekly Report* p. 938)

In published provisions, HR 2968:

● Authorized \$75.5 million for construction of a new building at CIA headquarters at Langley, Va. Another \$3 million was approved to reimburse the state of Virginia for road improvements to serve the CIA compound.

● Authorized \$13.8 million for counter-terrorism activities by the FBI. The House had approved this amount, but the Senate bill did not include it.

● Authorized \$18.5 million and 215 employees for the "intelligence community staff," which serves the CIA director in his role as director of central intelligence. Reagan had requested \$18.9 million for 215 employees. The House had approved \$19.1 million and the 215 employee limit, and the Senate had approved \$17.5 million and 211 employees.

● Provided that a commissioned military officer serving as director of the intelligence community staff would serve under the same terms and conditions as a civilian and would not be subject to direct supervision by the Defense Department. This would enable the Navy to promote Rear Adm. Edward A. Burkhalter Jr., the staff director, to vice admiral without having him count against the legal limit on the number of vice admirals.

● Tightened restrictions on the power of the director of central intelligence to "reprogram," or transfer, funds from one account to another, once he had notified congressional committees. The director was prohibited from transferring funds to a program that had been specifically denied by Congress. This requirement was expanded in HR 2968 by applying it to the CIA contingency fund, which often is used to start covert activities. Conferees said the prohibition would not apply if the proposed program was "materially different" from the one that had been denied. ■

November 18, 1983

CONGRESSIONAL RECORD — SENATE

S 17117

United States. Moreover, no other trading partner has economic activities that impinge so heavily on the American prosperity and the level of unemployment in core industries.

Based on its analysis of Japan's trade policies and practices, the United States Business and Industrial Council makes the following recommendations:

(1) We urge the President to begin immediately to exercise authority given to him under Sec. 301 of the Trade Act to unilaterally impose administrative remedies for unfair Japanese trade practices. Sec. 301 action will lead to bilateral discussions between the U.S. and Japan under the General Agreement of Tariffs and Trade.

(2) We urge Congress to adopt legislation to meet the Japanese threat by applying reciprocal responses to their targeting techniques in system of non-tariff barriers to trade. Such legislation would give the Executive Branch a stronger hand in dealing with threats to fair trade.

(3) The Executive Branch of the United States government should adopt a consistent strategic economic policy which recognizes that foreign trade is a vital factor in the overall national security situation. According to a statement by the International Public Policy Research Corp. in August 1981, "There is no place in the federal government where a global focus is superimposed on the variety of economic, military and political, and technology problems impacting on U.S. strategic economic concerns."

(4) The United States government should fashion a foreign trade doctrine that is in accord with the realities of the modern world and that recognizes that a nation can be crippled if economic and national resource weapons are brought to bear. The traditional concepts of free trade are not applicable to the late 20th Century world in which the major trading nations reject the practices of free trade while they continue to give lip service to the idea—"The doctrine of comparative advantage never has been a respecter of the security of nations, as Adam Smith himself recognized."—(Dr. Paul Seabury in the April 1983 issue of the Institute of Contemporary Studies Journal).

(5) The Japanese practice of assuring its industries a privileged sanctuary at home while seeking to dominate the U.S. domestic market through industrial targeting, dumping and other procedures makes necessary a new set of trade rules be agreed upon by the two countries.

(6) The recommendations of the Trade Reform Action Coalition, a multi-industry group with \$265 billion in sales, should be implemented. These recommendations cover targeting, dumping and subsidies.

(7) Wherever the trade disputes cannot be settled within the framework of the General Agreement on Tariffs and Trade, that the U.S. Government should negotiate bilateral agreements to resolve the impasse.

(8) Japanese access to American research centers and laboratories should be limited and industrial espionage laws should be more strictly enforced. Enforcement of existing laws is of paramount importance.

(9) American trade negotiations should persist in their objections to Japan Governmental Administrative Guidance.

(10) The U.S. Government should step up its effort to persuade the Japanese government to pay a fair share of the overall defense costs involved in the protection of the Northern and Western Pacific regions and in the Indian Ocean area which is Japan's principal source of oil and raw materials.

(11) Congress needs to change federal labor laws which remove workers from ac-

countability in the marketplace such as the Davis-Bacon Act, the Walsh-Healy Act, and the Service Contract Act.

(12) American business needs to look beyond the end of its nose when bargaining for uncompetitive wages and unproductive work practices.

(13) The American education establishment must look beyond the political demands of the teachers union and NEA Union when addressing the skills and education level American industry needs to compete.

These are basic recommendations and their application involves many special issues. The recommendations are based on a belief that equity and national and economic security require the introduction of these changes. Japan, like other major nations, respects a strong, principled position. Its leaders are aware of the benefits Japan derives from its association with the United States. The benefits of the association cannot continue to be one-sided in character, as they are today. Fundamental change in the trade relations between Japan and the United States is, therefore, imperative.●

ON COVERT SUPPORT AGAINST THE GOVERNMENT OF NICARAGUA

● Mr. PELL. Mr. President, I want to express my disappointment that the conferees on both the Defense and Intelligence bills agreed to the funding of covert operations against the Government of Nicaragua. On October 20, the House voted to cut the funds for covert activity through the Boland-Zablocki amendment to the Intelligence authorization bill. In July, S. 1713, with language similar to Boland-Zablocki, was introduced by Senator KENNEDY with me as a cosponsor, and referred to the Select Committee on Intelligence. I am sorry to say that now these efforts have been overtaken by decisions to which I have to take great exception.

U.S. support for covert operations against the Government of Nicaragua is contrary to the best interests of the United States and is counterproductive. The administration's policy is driving the Nicaraguan Government even more into the arms of the Cubans and the Soviets, and is serving to accelerate the polarization that is taking place in Nicaragua. In response to the externally supported guerrilla threat, the Nicaraguan people are rallying behind the Sandinistas. This is making it more difficult for moderates to temper restrictive and repressive policies which have affected freedom of the press and religion.

The situation in Central America, complicated by U.S. covert aid, could erupt into a Central American wide confrontation involving U.S. troops already in Honduras on maneuvers. Instead of looking for ways to overthrow the Nicaraguan Government, the United States should respond to the latest Nicaraguan offer to mediate differences. The United States also should vigorously back the Contadora process initiated by Mexico, Panama, Colombia, and Venezuela in the search for peace in the region.

I sincerely hope that in the future cooler heads will prevail and that peace will be given a better chance.●

COSPONSORING S. 337 A BILL TO ALLOW A PERMANENT ABOVE-THE-LINE DEDUCTION FOR CHARITABLE CONTRIBUTIONS

● Mr. WARNER. Mr. President, I am pleased to rise today to announce my cosponsorship of S. 337, a bill to make the above-the-line deduction for charitable contributions permanent.

Volunteerism is the cornerstone of the present administration, and charitable contributions are the lifeblood of most, if not all, of those voluntary efforts.

When Congress considered the Economic Recovery Tax Act of 1981, it allowed individuals' who did not file an itemized tax return to take a deduction for contributions to nonprofit organizations. That deduction phases in over a 5-year period, but is scheduled to be terminated at the end of 1986.

The measure which I am cosponsoring today, which was introduced by the Senator from Oregon (Mr. Packwood), would eliminate the 1986 sunset provision.

The tax deduction provided for charitable contributions, while not certainly the primary motivation for people to make these contributions, does provide an attractive and important benefit for both the individual making the contribution and the charitable organization receiving the contribution.

The people of our Nation are blessed with tens of thousands of community-based nonprofit organizations. There is no question about the inestimable value of these organizations, both to the millions of recipients of their services and to the millions of volunteers who help do the work.

America is unique for its spirit of voluntarism. I believe this spirit is one which should be perpetuated, as it has been since America's Declaration of Independence. This measure will secure that heritage, and I am pleased to join today as one of its cosponsors.

A TRIBUTE TO DR. HAN HEKKING

● Mr. TOWER. Mr. President, I would like to take this opportunity to pay tribute to a hero of World War II.

Dr. Han Hekking, a Dutch Army doctor, cared for a group of American prisoners of war who are constructing the infamous Burma-Thai Railway. Those American POW's were ill, suffering from multiple tropical diseases without a doctor, a trained hospital corpsman, or even any medicine. Many died in those labor camps.

Thanks to the inventive and courageous skill of Dr. Hekking, the men in this forced labor camp suffered fewer losses than any other working on that railway, which is probably better

Executive Registry

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